

Consultant 11

19 September 2013

Dear Sir / Madam,

Response to the Provisional Report

I write to add my concern to the conduct of PMIs towards new consultants and consultants in general. As a consultant starting private practise I am compelled to accept the terms of the largest PMIs to accept patients insured with them. It would be very unlikely I should be able to start practise should I not accept those terms and exclude patients from more than half the privately insured market. As you may be aware these terms dictate what price a PMI will pay, which is understandable. What is not however is the refusal to permit a consultant to ask for a contribution from a patient, to make up a 'gap'.

In a truly open market should one develop a thriving practise and wish to make the most of one's abilities and time it would be most efficient for one to raise one's prices to maximise utility, as determined by the market. In the circumstances where those prices are capped by PMIs one is not able to raise one's prices to see what a market might bear. The market is curtailed. There is a cap on financial reward. There lacks an incentive to improve quality and attract more patients. There is a restriction on competition.

Surely it is in the interests of patients to see whom they choose, not just on price but on quality, word-of-mouth, or whatever reason a patient might prefer. Provided a consultant meets the standards of practise expected of him or her it should not be in the power of a PMI to restrict that choice if the patient is willing to accept the additional cost; To take a turn of phrase from the public sector 'empowering patients'.

From my own knowledge I can cite two national experts in their highly specialised fields whose expertise is denied to those insured through one PMI (one consultant has refused to accept and the other has been de-registered). Their roles are highly specialised and would serve as good evidence of a reduction in specialist provision in their respective fields. There is a real danger patients will be forced to accept care from consultants potentially without the necessary expertise in these areas.

I urge you to reconsider the power of PMIs of pricing medical service and their influence in a free market.